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17 JAN 1964

MEMORANDUM FOR: Director of Finance

SUBJECT: Proposed Activity Program

1. The purpose of this memorandum is to give you a brief outline of a program concerning my proposed activities for the next several months. The dates used for completion of individual tasks are estimated and are subject to change. I have only covered major items that have come to my attention in relation to other activities. I firmly believe that all of the below listed items should be given a real "hard look" and that savings in manpower efforts can be developed and freed for more productive efforts in other activities.

2. Fiscal Division - There are several areas within the Division where I had spotted areas needing a "looksee" and are listed below:

a. Fiscal Processing Branch

- (1) The Cardex File - This is a manually maintained file where the history of each claim is recorded. This requires considerable manpower effort and in some ways duplicates other records maintained in other Branches. It is believed considerable "pay dirt" can be realized from a change in the method of maintaining this information.
- (2) The basic procedures used by this Branch should be reviewed, especially since the accounting records are now maintained on the 501 system and will permit a more flexible handling of financial data.
- (3) To implement the determination that it is feasible to prepare by machine mailing address slips for vendors that have several billings each week. Present procedures call for typing vendor's name and address on S.F. 1166 and on the check.

b. Travel Branch

- (1) Advance Account Records - This Branch maintains a manual record of each advance and its liquidation. This appears to be a duplicate of the record now maintained through the 501 system for the Accounting Branch and should be considered for elimination.

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- (2) Review the basic procedures currently being followed for the Branch in its handling of Government TR's, unused tickets, travel vouchers, and request for advances. The review should be for the purpose of determining, if possible, whether financial data now maintained on the 501 system could be used for any of the present records maintained in the Branch.

c. Payroll Branch

- (1) It is my understanding that this Branch maintains a number of manual records covering the Federal and State tax accounts. It is believed that these manually maintained accounts can be eliminated as the accounts and pertinent subsidiary records are maintained by the Accounting Branch thus freeing manpower for other efforts.
- (2) Review any other manual records maintained by this Branch as to need, adequacy, and could the record be mechanized.
- (3) Review all machine listings now being received by the Branch as to need, adequacy, and pertinent revisions required.
- (4) Review operating procedures for purpose of streamlining and mechanization of any phases that are appropriate.

3. Industrial Contract Audit Division

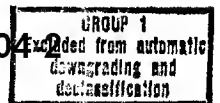
It is my understanding that this Division maintains, by hand, certain records dealing with payments to contractors. These records will be reviewed and a determination made as to whether the record should be mechanized. This item is similar to the cardex file in Fiscal Processing Branch of Fiscal Division.

4. Confidential Funds Division

a. Compensation and Tax Accounts Branch

- (1) Liaison with the Branch and ADPD in the conversion to the 501 system in the near future.
- (2) Special attention will be given to the "contract" side of the C&TAB procedures for the purpose of determining whether any further mechanization can be developed.
- (3) Review the manual controls maintained in connection with the payrolls for possible mechanization.

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b. Operations and Liaison Branch

- (1) Review the various procedures and records maintained by the Branch for necessity and adaptation to mechanization.
- (2) Review any machine prepared reports received in the Branch for its use, adequacy, and necessary revisions.

c. Accounts Branch

- (1) Review all machine prepared reports or lists received and used by the Branch for adequacy, need, format, and timeliness.
- (2) Review with recipients of each report sent out by the Branch as to the adequacy, format, and timeliness of the report
- (3) Make special review of major subsidiary account listings for the purpose of establishing, if possible, better "work reports", such as "management by exception" type reports.

5. Monetary Division

- (1) Review the various machine prepared reports now being received for adequacy, format, timeliness, and use made of each by the Division.
- (2) Explore any possibilities of using computer techniques in the Division's discharge of its responsibilities.

6. Other

a. Office of Logistics

Property transactions processed by the Supply Division through the 501 System in most cases affect the financial accounts of the Office of Finance. Therefore, I will from time to time become involved in the data processing procedures for this activity.

b. Office of Personnel

As there is a limited amount of data processing integration through the computer between the Office of Personnel and components of the Office of Finance, I would anticipate a certain amount of my time would be expended in this area. Likewise, components of the Office of Finance receive various reports prepared from Office of Personnel data. These reports should be reviewed in each component as to the need for and number of copies received.

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7. Operation AFAB

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a. Immediate

As of the writing of this memorandum it is not clear as to my part in Phase 2 - Project FAN. If I am assigned to the team to develop and install this procedure the next three or four months will be consumed on this project alone.

b. Long-Range

- (1) Provided Phase 2 or FAN System is adopted and installed by 1 July 1964, then Phase 3, Project ARM, will be undertaken in FY 1965 to be operative for FY 1966. One of the major tasks to be accomplished under this project is to mechanize the Confidential Funds Allotment and Property Authorization Control records. I would expect to play a major role in this activity. The accomplishment and follow through of this project will consume several months time.
- (2) Phase 4, Project BED of Operation AFAB, has been scheduled to be effective for FY 1967 budget and will involve the detail accounting records, personnel records, budget requirements, and computer services.

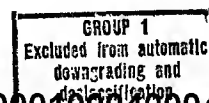
8. General

The above work areas point to only the major items to be covered in the review; however, many other related machine applications will be considered.

9. General Schedule of Time

This program of major work activities are anticipated to cover the next two years. Some of the items will be covered simultaneous and the following schedule should be considered as an estimate only. The time estimated for each Division is based upon my being able to spend approximately 90% of my time in each Division on a continuous basis and assumes that the Divisions will provide adequate assistance.

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<u>Paragraph</u>	<u>Location</u>	<u>Time*</u>
2	Fiscal Division	5 to 6 months
3	Industrial Contract Audit Division	1 week plus
4	Confidential Funds Division	6 months plus
5	Monetary Division	2 months plus
6	Other	
	Logistics	As Required
	Personnel	As Required
7	Operation AFAB	
	Project FAN	3 to 4 months
	Project ARM	12 to 18 months
	Project BED	As required

\*Does not include follow-up time to new procedures installed. I believe such effort is necessary.

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Assistant to the Director of Finance  
for Automatic Data Processing

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